

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010> Study Area Code	351105
<015> Study Area Name	AYRSHIRE FARMERS MUT
<020> Program Year	2015
<030> Contact Name: Person USAC should contact with questions about this data	Sheila Akridge
<035> Contact Telephone Number: Number of the person identified in data line <030>	7127762222 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	sakridge@ncn.net

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
		(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <div style="border: 1px solid black; height: 40px; width: 100%;"></div> 3511051a510.pdf	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <div style="border: 1px solid black; height: 40px; width: 100%;"></div> 3511051a610.pdf	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> <div style="border: 1px solid black; height: 40px; width: 100%;"></div> 3511051a1010.pdf	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet</b>			
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers			
<2000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet</b>			
<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**(100) Service Quality Improvement Reporting  
Data Collection Form**

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 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
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<015>	Study Area Name	AYRSHIRE FARMERS MUT
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Sheila Akridge
<035>	Contact Telephone Number - Number of person identified in data line <030>	7127762222 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncn.net
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

351105ia112.pdf

Name of Attached Document

Please check these boxes below to confirm that the attached documents(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.


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[illegible]

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<701>	Residential Local Service Charge Effective Date	1/1/2014
<702>	Single State-wide Residential Local Service Charge	

[illegible]

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[illegible]



(800) Operating Companies  
Data Collection Form

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<035>	Contact Telephone Number - Number of person identified in data line <030>	7127762222 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncn.net
<810>	Reporting Carrier	Ayrshire Farmers Mutual Telephone Company
<811>	Holding Company	Ayrshire Farmers Mutual Telephone Company
<812>	Operating Company	Ayrshire Farmers Mutual Telephone Company

[illegible]

(900) Tribal Lands Reporting  
Data Collection Form

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<039>	Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncn.net

&lt;910&gt; Tribal Land(s) on which ETC Serves

--

&lt;920&gt; Tribal Government Engagement Obligation

--

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes, No, NA)

**(1100) No Terrestrial Backhaul Reporting  
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<039>	Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncn.net

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G) ☐



**(1200) Terms and Condition for Lifeline Customers**  
**Lifeline**  
**Data Collection Form**

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<039>	Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncn.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP [www.ayrshireia.com/assistance.htm](http://www.ayrshireia.com/assistance.htm)

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- |  |                                     |
|--|-------------------------------------|
| <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <input checked="" type="checkbox"/> |
| <1222> Details on the number of minutes provided as part of the plan,  | <input checked="" type="checkbox"/> |
| <1223> Additional charges for toll calls, and rates for each such plan.  | <input checked="" type="checkbox"/> |

**(2000) Price Cap Carrier Additional Documentation****Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

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<039>	Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncn.net

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)} ☐
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)} ☐

**Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**

- <2012> 2013 Frozen Support Certification ☐
- <2013> 2014 Frozen Support Certification ☐
- <2014> 2015 Frozen Support Certification ☐
- <2015> 2016 and future Frozen Support Certification ☐

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

- <2016> Certification Support Used to Build Broadband ☐

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

- <2017> 3rd year Broadband Service Certification ☐
- <2018> 5th year Broadband Service Certification ☐
- <2019> Interim Progress Certification ☐
- <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

- <2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

## (3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

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OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010> Study Area Code 351105  
 <015> Study Area Name AYRESHIRE FARMERS MUT  
 <020> Program Year 2015  
 <030> Contact Name - Person USAC should contact regarding this data Sheila Akridge  
 <035> Contact Telephone Number - Number of person identified in data line <030> 7127762222 ext.  
 <039> Contact Email Address - Email Address of person identified in data line <030> saakridge@ncn.net

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

- (3010) Progress Report on 5 Year Plan  
 Milestone Certification (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

- (3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

- (3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

- (3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))  
 (3014) If yes, does your company file the RUS annual report

(Yes/No) ☒ ☒  
 (Yes/No) ☒ ☒

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

- (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) ☐  
 (3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

- (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

- (3018) If the response is no on line 3014, Is your company audited?

(Yes/No) ☒ ☐

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

- (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications ☒  
 (3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☒  
 (3021) Management letter issued by the independent certified public accountant that performed the company's financial audit. ☒

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, ☐  
 (3023) Underlying information subjected to a review by an independent certified public accountant ☐  
 (3024) Underlying information subjected to an officer certification. ☐  
 (3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

351105ia3017.pdf, 351105ia3017.xlsm

- (3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

<b>Certification - Reporting Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: AYRSHIRE FARMERS MUT	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/27/2014
Printed name of Authorized Officer: Donald Miller	
Title or position of Authorized Officer: Executive Vice President	
Telephone number of Authorized Officer: 7127762222 ext.	
Study Area Code of Reporting Carrier: 351105	Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	



Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<039> Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncn.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	



## Attachments

## **Ayrshire Farmers Mutual Telephone Company**

### **FIVE YEAR SERVICE QUALITY IMPROVEMENT PLAN**

#### **PREAMBLE**

Ayrshire Farmers Mutual Telephone Company ("Ayrshire") has carefully developed its improvement plan, concentrating on the delivery and continuation of a robust network which provides, at a minimum, the federally required voice and broadband connectivity as stipulated by regulatory rule.

Ayrshire advises that this improvement plan has been carefully crafted, matching measured network deployment, improvement and quality service levels with known financial implications of the Transformation Order upon the Company's support cash-flows. The uncertainty of such cash flows being received in later years as a result of current and potential regulatory action on rural rate-of-return carriers has resulted in the Company taking a balanced, yet realistic, approach.

The environment in which the Company operates remains dynamic, not static. As a result, Ayrshire reserves the opportunity to modify its plan in response to changing market demands as well as future regulatory decisions, and their impacts upon the Company's financial viability in providing quality services.

Ayrshire will re-evaluate this plan on an annual basis. Action, however, may also be taken abruptly on the presented plan for both current and later years in the event of evolving regulatory conditions and/or changes in technology (vendor)-driven support. All adjustments to the improvement plan in this document will be reflected and explained in subsequent annual reports.

#### **OVERVIEW**

Ayrshire is an Eligible Telecommunications Carrier (ETC) providing Universal Service supported services to approximately 215 customers in two exchanges covering approximately 90 square miles.

Consistent with Commission requirements, this Service Quality Improvement Plan addresses only Ayrshire's regulated ETC operations.<sup>1</sup> A detailed description of Ayrshire's plans for the provision of the supported services in the five (5) year period starting with Year 2015 - 2019 is provided herein.

Per the Universal Service Administrative Company (USAC), during the calendar year 2013, Ayrshire received a total of \$248,562 in USF support funds. The breakdown of the funding for the year was:

- \$ 88,566 High Cost Loop Support
- \$ 18,540 Local Switching Support
- \$ 28,986 Connect America Fund-Intercarrier Compensation Support
- \$ 112,470 Interstate Common Line Support
- \$ 0 Safety Net Additive

All funds were used in 2013 to both: 1) maintain, upgrade, and improve the Company's network and, 2) cover its operating expenses as necessary to permit it to offer a high level of service for both voice and broadband throughout its service area.

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<sup>1</sup>Per 47 C.F.R. § 54.314, federal USF support, "will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." If investments or expenses are for service areas larger than the supported service areas, then allocations of the expenditures are required.

## **Ayrshire Farmers Mutual Telephone Company**

Ayrshire Farmers Mutual Telephone is a corporation formed in 1907. It is a local exchange carrier currently employing 2 individuals and providing telecommunications services in the towns of Ayrshire, Gillett Grove, and their surrounding areas. With two exchanges/one switching wire center, the Company serves a current population of approximately 192, over a geographic area of approximately 90 square miles in Palo Alto and Clay Counties. Predominantly, the service territory environment is farmland. The service territory is widely inter-connected by secondary state highways and rural county roads and the serving area industry primarily consists of agriculture. Anchor institutions consist of a City Hall and 2 Post Offices. All anchor institutions currently have access to broadband service.

The Company has a long history of providing reliable quality service, consistently reaching a 99.9% uptime for existing services. Service requests and changes for telephone service and broadband are met within 24 hours. Build-out and maintenance project budgets and deadlines are also consistently met.

### **DEMOGRAPHICS**

According to the U.S. Census Bureau the median household income for Palo Alto County, which approximates a majority of the Company's serving area, is about \$32,409, per capita income is approximately \$17,733, and the poverty level is around 11%. As a result, there is a high proportion of below average income subscribers requiring support services. Communications is an important conduit to access such services. Despite a relatively low per-capita income, Ayrshire only has 5 Lifeline subscribers.

Ayrshire's serving area covers approximately 90 square miles with over 152 miles of buried copper and buried fiber cable. The Company is currently serving about 215 subscribers at year end 2013. This approximates a subscriber density (average of access lines per square mile) of two subscribers per square mile. The Company also served 124 broadband customers as of 12/31/2013. As of year-end 2013, Ayrshire is able to provide broadband service to 100% of its serving area. Of that, 99% has access to DSL speeds of at least 10 Mbps down/1 Mbps up, or greater. All of the nodes in the Company's network are currently fiber fed.

From 2012 to 2013, Ayrshire conducted a network improvement project to provide more reliable service and greater DSL speeds to its entire serving area. The Company not only ran new fiber to all of the nodes in its serving area, but it also upgraded the circuit equipment and electronics within each node. The goal of the build was to prepare Ayrshire's backhaul and network infrastructure to handle more traffic at greater speeds for a future FTTH build.

As a result of the project, Ayrshire's customers now have access to much greater broadband speeds; having been increased from 5/1 Mbps available before the build, to up to 15/6 Mbps at the end of construction. Additionally, the Company can now provide quality VDSL, cable pair bonding, broadband security, and IPTV to its customers.

Asymmetrical DSL service is currently being offered. While symmetrical broadband service is now possible, it is only available upon customer request. At present, 112 customers are subscribing to speeds of up to 10 Mbps down, and 1 Mbps up. Another 6 customers are subscribing to broadband speeds greater than 10 Mbps down.

## **Ayrshire Farmers Mutual Telephone Company**

### **IMPROVEMENT PLANS BY YEAR (2015-2019 inclusive)**

Summary descriptions of network improvements planned for the next five (5) years in accordance with Part 54.202(a)(1)(ii) and Part 54.313(a)(1) by year and by exchange are presented below. Detailed expenditures are summarized in the attached Excel worksheet (Attachment 1). Where available, area and subscribers impacted by the improvements are identified in the worksheet. Costs are broken out by voice and broadband service.

Over the last few years, Ayrshire completed a fiber-to-the-node project to upgrade the Company's backhaul network to create a solid foundation for future fiber-to-the-home improvements. By initially upgrading the routes to its nodes, Ayrshire has created a strong foundation for more reliable, faster, and cleaner service that will also reduce traffic congestion. It has paved the way for the upcoming fiber-to-the-home projects detailed below

### **SUMMARY DISCUSSION OF PLANS BY YEAR**

#### **2015**

The Company intends to use existing cash flows for a fiber-to-the-home project on the W1 remote node's north and south routes in 2015. The project will upgrade existing copper and electronics as well as provide for higher quality broadband capacity. It is estimated that the build-out will cost approximately \$186,000, impact 18 households and businesses in the exchange, and cover about 6 square miles. The project will upgrade both local service and increase broadband service from 10Mb down, 1Mb up to 30Mb down and 6Mb up. Actual speeds are dependent upon the electronics associated with the fiber and have the capability to be increased to at least 100Mb Synchronous.

General Expenditures: In 2015, the Company expects to spend \$5,000 in miscellaneous improvements.

#### **2016**

With the W1 fiber-to-the-home project completed in 2015, the Company will move to the S1 node's west route in 2016. The project will upgrade existing copper and electronics as well as provide for higher quality broadband capacity. It is estimated that the project will cost approximately \$160,500, impact 12 households and businesses in the exchange, and cover about 7 square miles. The project will upgrade both local service and increase broadband service from 10Mb down, 1Mb up to 30Mb down and 6Mb up. Actual speeds are dependent upon the electronics associated with the fiber and have the capability to be increased to at least 100Mb Synchronous.

General Expenditures: In 2016, the Company expects to spend \$5,000 in miscellaneous improvements.

#### **2017**

With the S1 west route fiber-to-the-home project completed in 2016, the Company will move to the S1 node's north and east routes in 2017. The build will upgrade existing obsolete copper and electronics as well as provide for higher quality broadband capacity. It is estimated that the upgrade will cost approximately \$151,000, impact 15 households and businesses in the exchange, and cover about 6 square miles. The project will upgrade both local service and increase broadband service from 10Mb down, 1Mb up to 30Mb down and 6Mb up. Actual speeds are dependent upon the electronics associated with the fiber and have the capability to be increased to at least 100Mb Synchronous.

General Expenditures: In 2017, the Company expects to spend \$5,000 in miscellaneous improvements.

## Ayrshire Farmers Mutual Telephone Company

### 2018

With the S1 fiber-to-the-home projects completed, the Company will move to the W2 node's south and west routes in 2018. The build will upgrade existing copper and electronics as well as provide for higher quality broadband capacity. It is estimated that the upgrade will cost approximately \$164,500, impact 21 households and businesses in the exchange, and cover about 6 square miles. The project will upgrade both local service and increase broadband service from 10Mb down, 1Mb up to 30Mb down and 6Mb up. Actual speeds are dependent upon the electronics associated with the fiber and have the capability to be increased to at least 100Mb Synchronous.

General Expenditures: In 2018, the Company expects to spend \$5,000 in miscellaneous improvements.

### 2019

With the W2 fiber-to-the-home projects completed, the Company will move to the N1 node's east route in 2019. The build will upgrade existing obsolete copper and electronics as well as provide for higher quality broadband capacity. It is estimated that the upgrade will cost approximately \$115,300, impact 7 households and businesses in the exchange, and cover about 8 square miles. The project will upgrade both local service and increase broadband service from 10Mb down, 1Mb up to 30Mb down and 6Mb up. Actual speeds are dependent upon the electronics associated with the fiber and have the capability to be increased to at least 100Mb Synchronous.

General Expenditures: In 2019, the Company expects to spend \$35,000 in miscellaneous improvements and vehicles.

\*\*\*\*\*



Ayrshire Farmers Mutual Telephone Company  
**NETWORK IMPROVEMENT PROJECTS**  
AS OF 2014 ANNUAL REPORT SUBMISSION - JULY 1, 2014

MAP REF.	WIRE CENTER NAME & CLI	DESCRIPTION of IMPROVEMENT	COST ESTIMATE	ACTUAL COST	REGULATED % ALLOCATION	AMOUNT IN USE SUPPORT AREA	% VOICE	% BROADBAND	AREA IMPACTED	POPULATION IMPACTED	TARGET COMPLETION DATE	ACTUAL COMPLETION DATE	Notes
	A	B	C	D	E	F=CxE	***	***	***	***	***	***	
	<b>2015</b>												
	Ayrshire Exchange - AYRSIAXODS1	FTTN-W1 Node - North & South route	\$186,000		100%	\$186,000	50%	50%	6 sq miles	18 Households	4Q - 2015		
		Miscellaneous plant costs/purchases	\$5,000		100%	\$5,000							

NOTES

2015 TOTAL PROJECTS

\$191,000

Ayrshire Farmers Mutual Telephone Company  
**NETWORK IMPROVEMENT PROJECTS**  
 AS OF 2014 ANNUAL REPORT SUBMISSION - JULY 1, 2014

MAP REF.	WIRE CENTER NAME & CLI	DESCRIPTION of IMPROVEMENT	COST ESTIMATE	ACTUAL COST	REGULATED % ALLOCATION	AMOUNT IN USF SUPPORT AREA	% VOICE	% BROADBAND	AREA IMPACTED	POPULATION IMPACTED	TARGET COMPLETION DATE	ACTUAL COMPLETION DATE	Notes
	A	B	C	D	E	FuCeE	***	***	***	***	***	***	
	<b>2016</b>												
	Ayrshire Exchange - AYRSIAXOD51	FTTN-S1 Node & West routes	\$160,500		100%	\$160,500	50%	50%	7 sq miles	12 Households	4Q - 2016		
		Miscellaneous plant costs/purchases	\$5,000		100%	\$5,000							

NOTES

2016 TOTAL PROJECTS

\$165,500

Ayrshire Farmers Mutual Telephone Company  
**NETWORK IMPROVEMENT PROJECTS**  
 AS OF 2014 ANNUAL REPORT SUBMISSION - JULY 1, 2014

MAP REF.	WIRE CENTER NAME & CLLI	DESCRIPTION of IMPROVEMENT	COST ESTIMATE	ACTUAL COST	REGULATED % ALLOCATION	AMOUNT IN USF SUPPORT AREA	% VOICE	% BROADBAND	AREA IMPACTED	POPULATION IMPACTED	TARGET COMPLETION DATE	ACTUAL COMPLETION DATE	Notes
	A	B	C	D	E	F=CxE	***	***	***	***	***	***	
	<b>2017</b>												
	Ayrshire Exchange - AYRSIAXODS1	FTTN-S1 Nodo - North & East routes	\$151,000		100%	\$151,000	50%	50%	6 sq miles	15 Households	4Q - 2017		
		Miscellaneous plant costs/purchases	\$5,000										

NOTES

2017 TOTAL PROJECTS

\$156,000

## AS OF 2014 ANNUAL REPORT SUBMISSION - JULY 1, 2014

[illegible]

## NOTES

### 2018 TOTAL PROJECTS

**\$169,500**

Ayrshire Farmers Mutual Telephone Company  
 NETWORK IMPROVEMENT PROJECTS  
 AS OF 2014 ANNUAL REPORT SUBMISSION - JULY 1, 2014

MAP REF.	WIRE CENTER NAME & CLI	DESCRIPTION of IMPROVEMENT	COST ESTIMATE	ACTUAL COST	REGULATED % ALLOCATION	AMOUNT IN USF SUPPORT AREA	% VOICE	% BROADBAND	AREA IMPACTED	POPULATION IMPACTED	TARGET COMPLETION DATE	ACTUAL COMPLETION DATE	Notes
	A	B	C	D	E	F=CxE	***	***	***	***	***	***	
	<b>2019</b>												
	Ayrshire Exchange - AYRSIAK0DS1	FTTN-W1 Node - East route	\$115,300		100%	\$115,300	50%	50%	8 sq miles	7 Households	4Q - 2019		
		Miscellaneous plant costs/purchases & Truck	\$35,000										

NOTES

2019 TOTAL PROJECTS

\$150,300



## Certification of Compliance with Service Quality Standards and Consumer Protection Rules

Line 510

### Ayrshire Farmers Mutual Telephone Company

Service quality standards and consumer protection rules for broadband are not as defined as the rules for voice services. The Company complies with any service quality standards and consumer protection rules for broadband that are out there now and any that will be defined in the future.

#### Service Quality Standards

For voice services, the Company:

- Provides voice grade access to the public switched network.
- Provides flat rated local exchange service with no additional charge to end users.
- Provides access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911.
- Provides toll blocking and toll limitation services.

For voice and broadband services, the Company:

- Advertises the availability of its services and the charges using media of general distribution and/or on its website.
- Maintains a business office providing customers with access to a customer service representative either in person or via a local telephone call or toll-free telephone number during business hours.
- Directs after hour calls to the Company's help desk.
- Directs trouble reports to the on-call technician.
- Tracks all service orders to ensure they are completed in a timely manner.
- Measures its service connection and service interruption performance on a regular basis.
- Trains employees to:
  - Answer all incoming calls promptly.
  - Respond to all inquiries for information promptly and courteously.
  - Investigate thoroughly all customer complaints and handle appropriately according to the Company's guidelines for resolution of customer complaints.
  - Be knowledgeable about products and service offerings so they can assist the customer with selecting the best service option.
- Has a process for periodic inspection, testing and preventive maintenance of its equipment to permit the rendering of safe, adequate and continuous service at all times.
- Meets or exceeds the standards established by the state commission and provides any reports required in accordance with the state commission's rules.

### Consumer Protection Rules

The Company has established operating procedures designed to facilitate compliance with applicable consumer protection rules which include compliance with the Customer Proprietary Network Information (CPNI) rules. The operating procedures include:

- Appointment of a compliance officer.
- A manual detailing the specific procedures for protecting consumer information.
- Employee training on an annual basis and training for new hires.
- A disciplinary process for improper use of consumer information.

If complaints are filed with the Company regarding consumer protection rules, the complaint is immediately investigated, the matter traced and any corrective action noted. This process ensures that problems are addressed and corrections made.

The Company also has implemented procedures that are consistent with the Federal Trade Commission guidance on measures to detect/prevent identity theft (Red Flag Rules).

A copy of the Company's tariff is on file with the Iowa Utility Board and copies of our rules and regulations and schedules of rates are on file at our Business Office and are open to public inspection.

## **Line 610 – Description of Functionality in Emergency Situations**

Ayrshire Farmers Mutual Telephone (Ayrshire) prides itself on updating and maintaining all its plant and equipment to prevent outages before they happen. If outages do happen, the Company has 24-hour on call staff and alarm reporting systems in place that send notifications to the 24 hour personnel monitoring these systems. The Company certifies that it follows best practices that are designed to allow them to remain functional in an emergency situation through the use of back-up power to ensure functionality in the event of a limited commercial power failure.

Ayrshire utilizes battery back-up systems and standby generators in its central office and remote huts. This enables the Company to maintain power during an outage of at least 48 hours with battery back-up and several days with propane gas.

The Company has redundant interexchange/exchange fiber routes that allow traffic to be diverted to other routes when any fiber cuts occur. Ayrshire also has the ability to remotely switch its traffic using the neighboring telco's switch, if the Company's own switch becomes inoperable.

(700) Price Offerings including Voice Rate Data  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010> Study Area Code	351105
-----------------------	--------

<015>	Study Area Name	AYRSHIRE FARMERS MUT
-------	-----------------	----------------------

<020>	Program Year	2015
-------	--------------	------

<030>	Contact Name - Person USAC should contact regarding this data	Sheila Akridge
-------	---	----------------

<035>	Contact Telephone Number - Number of person identified in data line <030>	7127762222 ext.
-------	---	-----------------

<039>	Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncn.net
-------	---	------------------

<701> Residential Local Service Charge Effective Date	1/1/2014
---	----------

<702> Single State-wide Residential Local Service Charge

&lt;703&gt;

[illegible]

(710) Broadband Price Offerings  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	351105
<015>	Study Area Name	AYRSHIRE FARMERS MUT
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Sheila Akridge
<035>	Contact Telephone Number - Number of person identified in data line <030>	7127762222 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncn.net

[illegible]



(800) Operating Companies  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	351105
<015>	Study Area Name	AYRSHIRE FARMERS MUT
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Sheila Akridge
<035>	Contact Telephone Number - Number of person identified in data line <030>	7127762222 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sakridge@ncn.net
<810>	Reporting Carrier	Ayrshire Farmers Mutual Telephone Company
<811>	Holding Company	Ayrshire Farmers Mutual Telephone Company
<812>	Operating Company	Ayrshire Farmers Mutual Telephone Company

[illegible]

Line 1010: Voice Service Rate Comparability

As evidenced by the data provided in line 700 of this Form 481, the Company's voice service pricing is no more than 2 standard deviations above the national average urban rate (\$46.96) as announced by the Wireline Competition Bureau on March 20, 2014 (DA 14-384).

	Number of fields with invalid data
3005a BalanceSheet	0
3005b IncomeStatement	0
3005c Cashflow	0

Mandatory fields that are blank			
Worksheet	Input Item	Line Item	Error Status
3005a BalanceSheet	Study Area Code	<10>	OK
3005a BalanceSheet	Study Area Name	<15>	OK
3005a BalanceSheet	Program Year	<20>	OK
3005a BalanceSheet	Contact Name - Person USAC should contact regarding this data	<10>	OK
3005a BalanceSheet	Contact Telephone Number - Number of person identified in data line <30>	<35>	OK
3005a BalanceSheet	Contact Telephone Email Address - Email address of person identified in data line <30>	<19>	OK
3005c Cashflow	Explanation for cell C10	5	OK
3005c Cashflow	Explanation for cell C9	22	OK
3005c Cashflow	Explanation for cell C8	27	OK

Totals that can not be zero			
Worksheet	Input Item	Line Item	Error Status
3005a BalanceSheet	Total Assets	24	OK
3005a BalanceSheet	Total Liabilities and Equity	59	OK
3005b IncomeStatement	Input items for prior year		OK
3005b IncomeStatement	Input items for current year		OK

(3005a) Operating Report for Privately-Held Rate of Return Carriers  
Balance Sheet - Data Collection Form  
Page 1 of 3

FCC Form 481  
OMB Control No. 3060-0986  
July 2013

<010> Study Area Code  
<015> Study Area Name  
<020> Program Year  
<030> Contact Name - Person USAC should contact regarding this data  
<035> Contact Telephone Number - Number of person identified in data line <030>  
<039> Contact Telephone Email Address - Email Address of person identified in data line <030>  
☐ Files as reviewed single company  
☐ Filed as reviewed consolidated company  
☐ Filed as subsidiary of reviewed consolidated company

<010> 351105  
<015> Ayrshire Farmers Mutual Telephone Company  
<020> 2015  
<030> Sheila Akridge  
<035> 712-776-2222  
<039> sakridge@ncn.net  
☐ Filed as audited single company  
☒ Filed as audited consolidated company  
☐ Filed as subsidiary of audited consolidated company

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

  
Signature

06/26/2014  
Date

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	184959	265315	25. Accounts Payable	30661	34404
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable	1304	-1578	28. Customer Deposits	412	512
b. Other Accounts Receivable	184537	582912	29. Current Mat. L/T Debt		
c. Notes Receivable	9899	6600	30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued	14218	8674
c. Notes Receivable			34. Other Current Liabilities	2647	813
5. Interest and Dividends Receivable	5764	397	35. Total Current Liabilities (25 thru 34)	47938	44403
6. Material-Regulated	55441	32103	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments	8825	18056	37. Funded Debt-RTB Notes		
9. Other Current Assets	620592	188349	38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	1071301	1097154	39. Funded Debt-Other		
			40. Funded Debt-Rural Develop. Loan		
<b>NONCURRENT ASSETS</b>			41. Premium (Discount) on L/T Debt		
11. Investment in Affiliated Companies			42. Reacquired Debt		
a. Rural Development			43. Obligations Under Capital Lease		
b. Nonrural Development	718347	739935	44. Adv. From Affiliated Companies		
12. Other Investments			45. Other Long-Term Debt	41850	
a. Rural Development	556015	486032	46. Total Long-Term Debt (36 thru 45)	41850	0
b. Nonrural Development			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
13. Nonregulated Investments			47. Other Long-Term Liabilities	106947	64808
14. Other Noncurrent Assets	261409	102373	48. Other Deferred Credits		
15. Deferred Charges			49. Other Jurisdictional Differences		
16. Jurisdictional Differences			50. Total Other Liabilities and Deferred Credits (47 thru 49)	106947	64808
17. Total Noncurrent Assets (11 thru 16)	1535771	1328340	<b>EQUITY</b>		
			51. Cap. Stock Outstanding & Subscribed	10700	10700
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			52. Additional Paid-in-Capital		
18. Telecom, Plant-in-Service	915093	951855	53. Treasury Stock	-1800	-1800
19. Property Held for Future Use			54. Membership and Cap. Certificates		
20. Plant Under Construction	14417		55. Other Capital		
21. Plant Adj., Nonop. Plant & Goodwill			56. Patronage Capital Credits		
22. Less Accumulated Depreciation			57. Retained Earnings or Margins	3330947	3259238
23. Net Plant (18 thru 21 less 22)	929510	951855	58. Total Equity (51 thru 57)	3339847	3268138
24. TOTAL ASSETS (10+17+23)	3536582	3377349	59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	3536582	3377349



<010> Study Area Code  
<015> Study Area Name  
<020> Program Year  
<030> Contact Name - Person USAC should contact regarding this data  
<035> Contact Telephone Number - Number of person identified in data line <030>  
<039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 351105  
<015> Ayrshire Farmers Mutual Telephone Company  
<020> 2015  
<030> Sheila Akridge  
<035> 712-776-2222  
<039> sakridge@ncn.net

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	41740	47972
2. Network Access Services Revenues	421904	404713
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues	9768	442
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)	473412	452243
8. Plant Specific Operations Expense	120378	131525
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	7496	9573
10. Depreciation Expense	114676	131385
11. Amortization Expense		
12. Customer Operations Expense	64762	58402
13. Corporate Operations Expense	182620	170996
14. Total Operating Expenses (8 thru 13)	489932	501881
15. Operating Income or Margins (7 less 14)	-16520	-49638
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes	14465	8147
20. Total Operating Taxes (17+18+19)	14465	8147
21. Net Operating Income or Margins (15+16-20)	-30985	-57785
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense	42573	33327
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	42573	33327
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	5541	21588
31. Total Net Income or margins (21+27+28+29+30-26)	-68017	-69524
32. Total Taxes Based on Income	10453	57149
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date	-11754	109388
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins end-of-Period [(31+33+34)-(35+36+37+38)]	-56263	39864
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11)/7]	0.82	0.84
46. Operating Accrual Ratio [(14+20+26)/7]	1.16	1.20
47. TIER [(31+26)/26]	-0.60	-1.09
48. DSCR [(31+26+10+11)/44]	0.00	0.00

<010> Study Area Code  
 <015> Study Area Name  
 <020> Program Year  
 <030> Contact Name - Person USAC should contact regarding this data  
 <035> Contact Telephone Number - Number of person identified in data line <030>  
 <039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 351105  
 <015> Ayrshire Farmers Mutual Telephone Company  
 <020> 2015  
 <030> Sheila Akridge  
 <035> 712-776-2222  
 <039> sakridge@ncn.net

PART C. STATEMENTS OF CASH FLOWS			
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		883854
CASH FLOWS FROM OPERATING ACTIVITIES			
2.	Net Income		-73527
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3.	Add: Depreciation		131385
4.	Add: Amortization		
5.	Other (Explain)		
Changes in Operating Assets and Liabilities			
6.	Decrease/(Increase) in Accounts Receivable		-176360
7.	Decrease/(Increase) in Materials and Inventory		-23309
8.	Decrease/(Increase) in Prepayments and Deferred Charges		9230
9.	Decrease/(Increase) in Other Current Assets		67
10.	Increase/(Decrease) in Accounts Payable		-4458
11.	Increase/(Decrease) in Advance Billings & Payments		-3216
12.	Increase/(Decrease) in Other Current Liabilities		
13.	Net Cash Provided/(Used) by Operations		-140188
CASH FLOWS FROM FINANCING ACTIVITIES			
14.	Decrease/(Increase) in Notes Receivable		-8250
15.	Increase/(Decrease) in Notes Payable		0
16.	Increase/(Decrease) in Customer Deposits		100
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		-41850
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits		-50391
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0
20.	Less: Payment of Dividends		-8900
21.	Less: Patronage Capital Credits Retired		0
22.	Other (Explain)		
23.	Net Cash Provided/(Used) by Financing Activities		-109291
CASH FLOWS FROM INVESTING ACTIVITIES			
24.	Net Capital Expenditures (Property, Plant & Equipment)		-213189
25.	Other Long-Term Investments		-52482
26.	Other Noncurrent Assets & Jurisdictional Differences		
27.	Other (Explain)		
28.	Net Cash Provided/(Used) by Investing Activities		-265671
29.	Net Increase/(Decrease) in Cash		-515150
30.	Ending Cash		368704





## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Ayrshire Farmers Mutual Telephone Company and Subsidiary  
Ayrshire, Iowa

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Ayrshire Farmers Mutual Telephone Company (an Iowa corporation) and subsidiary as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment; including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management as well as evaluating the overall consolidated financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, based on our audit, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ayrshire Farmers Mutual Telephone Company and subsidiary as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Kiesling Associates LLP

Emmetsburg, Iowa  
April 24, 2014

## Sheila Akridge

---

**From:** Don Miller  
**Sent:** Sunday, June 29, 2014 3:44 PM  
**To:** Sheila Akridge  
**Cc:** Michelle Beekman  
**Subject:** Fwd: Form 481 Certification Confirmation

Sent from my iPad

Begin forwarded message:

**From:** <[Form481@usac.org](mailto:Form481@usac.org)>  
**Date:** June 27, 2014 at 4:23:30 PM CDT  
**To:** <[MILLER@ncn.net](mailto:MILLER@ncn.net)>  
**Subject:** Form 481 Certification Confirmation

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**Certification Date and Time:** Fri Jun 27 17:23:30 EDT 2014

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